

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF ADMINISTRATIVE SERVICES
OCTOBER 2, 2018**

ITEM 2

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION TO AMEND THE CONTRACT BETWEEN THE STATE WATER RESOURCES CONTROL BOARD AND CLIFTONLARSONALLEN, LLP WHICH PROVIDES AN INDEPENDENT ANNUAL AUDIT OF CLEAN WATER (CWSRF) AND DRINKING WATER (DWSRF) STATE REVOLVING FUNDS GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) FINANCIAL STATEMENTS PLUS A COMPLIANCE AUDIT OF THE PUBLIC WATER SYSTEMS SUPERVISION GRANT (PWSS).

DISCUSSION

The original agreement in the amount of \$680,495 was for the June 30, 2017 and 2018 audits. The amendment will add the independent audits for June 30, 2019 and 2020 and increase the contract by \$705,350 for a total of \$1,385,845.

In accordance with the 2012 Revenue Bond Master Trust Indenture (Clean Water Series 2012, 2016, 2017 and 2018), the State Water Resources Control Board (State Water Board) contracts with an independent audit firm to perform an annual audit of the Clean Water (CWSRF) and Drinking Water (DWSRF) State Revolving Funds Generally Accepted Accounting Principles (GAAP) financial statements.

The existing contract with CliftonLarsonAllen, LLP includes an independent audit of the GAAP financial statements for Clean Water and Drinking Water State Revolving Funds plus a compliance audit of the Public Water Systems Supervision Grant for years ending June 30, 2017 and 2018 with an option to amend the contract for two additional years.

The increase in time and funding is directly related to the two additional audits that will be performed.

POLICY ISSUE

Should the State Water Resources Control Board adopt this resolution authorizing the Executive Director or designee to execute a contract amendment with CliftonLarsonAllen, LLP for the independent GAAP audit of both the CWSRF and DWSRF annual financial statements and a compliance audit of the Public Water System Supervision financial statements for two additional years.

FISCAL IMPACT

The resolution will authorize an additional \$705,350 of funding and add two additional years to the term of the contract by extending the end date to June 30, 2021.

REGIONAL BOARD IMPACT

None

STAFF RECOMMENDATION

The State Water Board should approve the resolution authorizing the Executive Director or designee to execute a contract amendment with CliftonLarsonAllen, LLP to add the time and funding to perform two additional years of audits.

State Water Board action on this item will assist the Water Boards in reaching Goal 7 of the Strategic Plan Update: 2008-2012 to ensure that the Water Boards have access to information and expertise, including employees with appropriate knowledge and skills, needed to effectively and efficiently carry out the Water Boards' mission.
